



MINUTES
Economic Development Authority
May 18, 2021

CALL TO ORDER

The Economic Development Authority meeting was called to order at 5:30 pm.

Due to the COVID-19 health pandemic, the Long Lake Economic Development Authority attended the meeting telephonically pursuant to Minn. Stat. 13D.021.

Present: Chair: Jahn Dyvik; Vice Chair: Lori Goodsell; Board: Tim Hultmann, Mike Feldmann (arrived at 5:34 pm), Gina Joyce, Deirdre Kvale, and Charlie Miner

Staff Present: City Administrator/Executive Director: Scott Weske; Planning Consultant: Hannah Rybak; and City Attorney: John Thames

Absent: None

PLEDGE OF ALLEGIANCE

APPROVE AGENDA

A motion was made by Miner, seconded by Hultmann, to approve the agenda. Ayes: all by roll call.

CONSENT AGENDA

A. Approve Minutes of April 20, 2021 Economic Development Authority Meeting

A motion was made by Hultmann, seconded by Miner to approve the minutes of the April 20, 2021 EDA meeting. Ayes: all by roll call.

OPEN CORRESPONDENCE

No one was present to address the EDA during Open Correspondence, and no written comments were received to be read aloud by staff.

BUSINESS ITEMS

Discuss Planning and Zoning Considerations – Review of Concept Plan for 1905 W. Wayzata Boulevard, Spell Partners, LLC, Three-Story Commercial Office Building (One Level Above Ground Parking/Two Levels of Office Space)

Planning Consultant Rybak gave a presentation of land use approvals needed for the current Spell Partners proposed project at the 1905 W Wayzata Boulevard property. She indicated that applications needed would include a rezoning to PUD; variance for parking spaces not meeting parking requirements; a building depth variance; variances for distance from Wayzata Boulevard W and Lake Street; and a CUP for building height exceeding 35 feet.

Board member Kvale asked if there was a provision that a building of the size proposed requires a loading dock.

Rybak responded that she did not delve that far into the review and had just completed a basic zoning analysis, but if that is something in the code, a variance would also be required for that as well.

Chair Dyvik asked if the structure was still supposed to be 80 feet from each street when it sits on a corner lot.

Rybak indicated that is her understanding of how the code was written. She explained that the code states that both frontages are technically a 'front yard' and the depth requirements states that 'no building shall extend more than 80 feet rearward from a public street'.

Chair Dyvik mentioned examples of where that would be problematic and noted that this may be something that ought to be different. He asked why the expectation was for the building to be right up to the property line.

Rybak replied that this comes from the Village District.

Chair Dyvik commented that of the land use approvals that would be needed, he feels that parking will be the largest one to be addressed. He added that he has heard that some cities, such as Minneapolis, are eliminating minimum parking requirements.

Board member Hultmann noted that Carbone's Pizza was able to work out something with the property just south of them because they did not share business hours, and the arrangement has worked out quite well. He questioned whether Sam Rettinger would be willing to enter into some sort of lease arrangement for this situation. He stated that they may also be able to go across the street and speak with John Patch about a portion of the shopping center for some possible spaces.

Board member Joyce asked if there would be a drastic difference between what is in place now to what is being requested.

Rybak explained that when dealing with existing developments, it is difficult to know what zoning regulations, if any, were in place at that time. She indicated that zoning regulations were imposed for a reason and it needs to be looked at on an individual, case by case basis, as well as in terms of what zoning ordinance requirements are on the books today.

Board member Joyce wondered if the proposed building would look odd if it is so far off of what is already in place in this area.

Chair Dyvik pointed out that with reference to the parking, the hardship is that they are not allowed to dig down because they cannot disturb the soil.

Board member Feldmann inquired how the City's parking formula adds compares to neighboring cities.

Rybak shared a table that compared parking requirements between Orono, Minnetrista, Medina, Plymouth, Wayzata, Mound and Long Lake.

Board member Kvale mentioned that both Wayzata and Mound have municipal parking ramps.

Chair Dyvik noted that Spell Capital would not want to build a building where they cannot house all the parking for their employees. He indicated that Board member Hultmann had provided some ideas for relief of the parking situation and noted that he thinks of office parking differently than he thinks of retail parking where people are coming and going frequently.

The EDA discussed parking scenarios and needs for Spell Capital and potential issues in the future. They discussed the possibility of putting conditions in the variance as long as there is a reasonable tie between the conditions and the reason the City would grant the variance; and discussed the difference between a parking variance for 10 cars versus a parking variance of 100 cars.

Chair Dyvik questioned whether the applicant had offered to take another look at their plans and increase the number of proposed parking spaces to close the gap a bit.

City Administrator Weske replied that there have not been further discussions of parking yet and stated that he feels they were waiting for this meeting to see what the overall feeling was from the EDA. He pointed out that there is the ability for the building to go up to 50 feet in height on that side of Wayzata Boulevard W by Conditional Use Permit so they could put in another level of parking that could close the gap a bit more.

Rybak reviewed the criteria that would need to be met for the Conditional Use Permit for height in a PUD district.

Board member Goodsell commented that she thinks it would be really smart to talk about closing the gap and shared examples of problems she experiences with her own business office by other tenants eating up the available parking for meetings.

Chair Dyvik asked EDA members if they felt it was worth asking the applicant to come back with a third revision that shows that there is a closing of the gap regarding the parking. He stated that he feels the other variances that will be necessary are not as big of a deal as parking.

Mike Margulies, Valarian, representing Spell Capital, confirmed that the matters discussed remain all necessary conversations to have; however, in the original concept plan that was presented to the EDA, this building was taller and larger. In response to the EDA comments received, the building was revised to now be smaller and shorter. He explained that there is no way to build this project and comply with the parking requirement from the City. He stated that while he cannot say no, he does feel it will be difficult to create significantly more parking while also creating height because there would need to be more tenants to offset the cost which would create additional issues. He indicated that he does not think they would be able to make a substantial movement towards a greater number of spaces.

Board member Goodsell asked how Mr. Margulies felt about conditions being imposed surrounding head counts and number of seats in the building.

Mr. Margulies replied that he could not speak for Spell Capital, but his hunch is that they would not feel that would be a very desirable result.

Chair Dyvik inquired whether the current building proposal was sized for the current size of Spell Capital or for a future projected size of their office. He asked if Spell was of the opinion that this is adequate parking for what they want to have now and in the future.

Mr. Margulies responded that they do feel that their proposal provides adequate parking for both now and in the future, and explained that the building has been designed principally for Spell and probably one other tenant. He noted that about half of the planned space will be for Spell and the other half for a tenant.

Board member Hultmann asked if the applicant had spoken with Mr. Rettinger and John Patch about the possibility of setting up some kind of lease parking agreement with either of them.

Mr. Margulies indicated that while this is a concept many cities use, he doesn't think it will make a lot of sense to make a financial commitment to lease another 50 spots because they don't want or need them. He added that having an overflow contingency in the form of an easement could make a lot of sense.

Chair Dyvik asked about the desired timeframe from Spell for a new headquarters facility.

Mr. Margulies stated that generally, they are giving up their space in downtown Minneapolis and will move west within the next year.

Board member Kvale questioned if Spell Capital was looking at any other locations.

Mr. Margulies confirmed that the City should assume that they are looking at other locations. He noted that this is the only time that they have engaged with a City; however, that is because the City is the owner/seller of the property in this case.

Board member Hultmann commented that it sounds like the EDA needs to get back to the question of exactly how many people they will have and noted at the very beginning of this conversation, Chair Dyvik mentioned that places like Minneapolis have abolished their parking requirements. He understands that Long Lake is not Minneapolis, but thinks that there needs to be some strong thinking about these variances to get the advantage of having a business come to town, but also for a business to come because they want to be here. He added that he would like to get the details on exactly how many parking spaces they need and see if the City can shrink the requirement down a bit.

Chair Dyvik agreed with Board member Hultmann's feedback and stated that the current proposal is for 33 parking spaces while the parking requirement for this space would be a bit over 100. He asked if that was too big of a gap to overcome or if there were solutions that could be utilized, if necessary.

Mr. Margulies noted that the conversation that he would like to have with City Administrator Weske is the fact that they would not know what to do with 100 parking spaces because they cannot use that many spaces and it would be an economic waste to build.

Chair Dyvik stated that he doesn't doubt that the 33 spaces will be adequate for Spell Capital, but explained part of the concern is what happens if they decided to sell the building in 10 years to someone who has a different business model and now needs more than 33 spaces.

Mr. Margulies indicated that a business would not acquire a building that does not have adequate parking because it wouldn't fit their needs. He stated that it is also possible that the parking model of today will be obsolete and noted that in 10 years, there could be self-driving cars that simply drop off employees and then come back and pick them up at the end of the day. He stated that he is absolutely interested in talking about possible plans that would give some boundaries.

Board member Kvale asked if the 33 planned parking spots left spots for the potential tenant.

Mr. Margulies confirmed that the 33 spaces would be to serve the building as a whole and not just for Spell.

Chair Dyvik stated that he does not want to cut off conversations with Spell Capital yet and would like to see if there is a solution to the parking issue.

Board member Hultmann indicated that he would like to see the EDA and City go ahead and work through the variances and the CUP and get the project moving down the road. He noted that he is not concerned about the parking and would like to see the City move hand in hand with them, as long as common sense is used. He recalled that parking has always been an issue in Long Lake and noted that it was even a problem when he moved here in 1978.

Board member Miner agreed that it is worth putting more time and energy into the proposal to see if there is a compromise somewhere in there with the assistance of staff.

Board member Feldmann stated that he would like hear what City Attorney Thames has to say about putting conditions on a variance. He added that he did not want to cause problems for future Councils.

Board member Joyce agreed with the suggested approach and stated that if the conversation leads to the thought that there should be more room made for parking, she would still like to see a proposed version of the lobby that has some community interaction since it is a prominent downtown corner.

Board member Goodsell stated that she agreed with Board member Feldmann that she does not want to create problems for neighbors, but if the City can work with them on various conditions, then she would like to talk more about that.

Board member Kvale commented that parking is an issue and may cause problems further down the road. She stated that if they are trying to force a square peg into a round hole, this may not be the spot for this proposal. She reiterated her prior comment about the need for a loading dock and expressed concern about how deliveries will be made to the building.

Chair Dyvik stated that he has had zero communications with Spell, DJR, or Mr. Margulies and all communication will go through staff. He asked staff and Mr. Margulies to communicate tonight's discussion and concerns to Spell Capital.

OTHER BUSINESS

No other business was discussed.

ADJOURN

Hearing no objection, Chair Dyvik adjourned by general consent at 6:29 pm.

Respectfully submitted,
Scott Weske, Executive Director